

**NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-6-07

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
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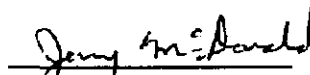
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NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

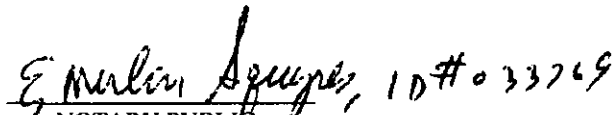
AFFIDAVIT

Personally came and appeared before the undersigned authority, Jerry McDonald, President of the North Sabine Fire Protection District, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the North Sabine Fire Protection District, at December 31, 2006 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.



President

Sworn to and subscribed before me, this 18th day of May, 2007.



NOTARY PUBLIC

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INDEPENDENT AUDITORS' REPORT

North Sabine Fire Protection District
P.O. Box 81
Zwolle, Louisiana 71486

We have audited the accompanying basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2006, as listed in the table of contents. These basic financial statements are the responsibility of management of the North Sabine Fire Protection District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Sabine Fire Protection District as of December 31, 2006, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 18, 2007, on our consideration of the North Sabine Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 20, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the North Sabine Fire Protection District taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended December 31, 2005, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated May 12, 2006, on the basic financial statements of the North Sabine Fire Protection District.

Hines, Jackson & Hines

Natchitoches, Louisiana
May 18, 2007

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006

The Management's Discussion and Analysis of the North Sabine Fire Protection District's financial performance presents a narrative overview and analysis of North Sabine Fire Protection District's financial activities for the year ended December 31, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the North Sabine Fire Protection District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- 1) The North Sabine Fire Protection District had cash of \$157,527 at December 31, 2006 which represents a decrease of \$14,281 from prior year end.
- 2) The North Sabine Fire Protection District had accounts receivable of \$238,213 at December 31, 2006 which represents a decrease of \$36,008 from prior year end.
- 3) The North Sabine Fire Protection District had accounts payable and accruals of \$18,823 at December 31, 2006 which represents a decrease of \$1,886 from prior year end.
- 4) The North Sabine Fire Protection District had total revenues of \$363,239 for the year ended December 31, 2006 which represents a decrease of \$14,218 from prior year.
- 5) The North Sabine Fire Protection District had tax revenues of \$264,958 for the year ended December 31, 2006 which represents an increase of \$5,780 from prior year.
- 6) The North Sabine Fire Protection District had personal services expenses of \$27,846 for the year ended December 31, 2006 which represents a decrease of \$510 from prior year.
- 7) The North Sabine Fire Protection District had operating services expenses of \$163,159 for the year ended December 31, 2006 which represents an increase of \$34,530 from prior year.
- 8) The North Sabine Fire Protection District had supplies expenses of \$10,027 for the year ended December 31, 2006 which represents an increase of \$5,909 from prior year.
- 9) The North Sabine Fire Protection District had capital asset purchases of \$241,494 for the year ended December 31, 2006 which represents a decrease of \$71,694 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the North Sabine Fire Protection District as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the North Sabine Fire Protection District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2006

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 395,740	\$ 480,277
Capital assets, net	<u>1,017,183</u>	<u>993,663</u>
Total Assets	<u>\$ 1,412,923</u>	<u>\$ 1,473,940</u>
Other liabilities	\$ 18,823	\$ 20,709
Compensated Absences payable	<u>0</u>	<u>0</u>
Total Liabilities	18,823	20,709
Net assets		
Investment in capital assets, net of related debt	1,017,183	993,663
Unrestricted	<u>376,917</u>	<u>459,568</u>
Total Net Assets	<u>1,394,100</u>	<u>1,453,231</u>
Total Liabilities and Net Assets	<u>\$ 1,412,923</u>	<u>\$ 1,473,940</u>

Net assets of the North Sabine Fire Protection District's decreased by \$59,131 or 4.07% from the previous fiscal year. The decrease is the result of operating expenses exceeding program and general revenues during the fiscal year ended 2006 (See table below).

Statement of Activities
For the Year Ended

	<u>2006</u>	<u>2005</u>
General government		
Expenses	\$ (422,370)	\$ (366,852)
Program revenues		
Capital grants and contributions	<u>26,157</u>	<u>57,883</u>
Subtotal	(396,213)	(308,969)
General revenues	<u>337,082</u>	<u>319,574</u>
Change in net assets	<u>\$ (59,131)</u>	<u>\$ 10,605</u>

The North Sabine Fire Protection District's total revenues decreased by \$14,218 or 3.77% from the previous year. The total cost of all programs and services increased by \$55,518 or 15.13% from the previous year.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2006

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the North Sabine Fire Protection District had \$1,017,183, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$23,520 or 2.37% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2006</u>	<u>2005</u>
Land	\$ 31,615	\$ 30,115
Buildings and building improvements	303,393	231,674
Automobiles	281,839	255,013
Machinery and equipment	<u>400,336</u>	<u>476,861</u>
Total	<u>\$ 1,017,183</u>	<u>\$ 993,663</u>

This year's major additions included:

Land	\$ 1,500
Building and building improvements	\$ 115,214
Automobiles	\$ 104,000
Machinery and equipment	\$ 20,780

This years' major retirements included:

None.

Debt

The North Sabine Fire Protection District had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change, as shown in the table below.

Outstanding Debt at Year End

	<u>2006</u>	<u>2005</u>
Compensated absences payable	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2006

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$15,239 more than budgeted amounts due to miscellaneous revenues being more than expected.

Actual expenditures were \$14,398 less than budgeted amounts due to operating services being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The North Sabine Fire Protection District's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) State revenue sharing
- 3) Intergovernmental revenues (state and local grants)
- 4) Miscellaneous revenues

The North Sabine Fire Protection District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE NORTH SABINE FIRE PROTECTION DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the North Sabine Fire Protection District's finances and to show the North Sabine Fire Protection District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Gary Rivers, President, Post Office Box 81, Zwolle, Louisiana 71486.

EXHIBIT A

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Current Assets		
Cash	\$ 157,527	\$ 171,808
Accounts receivable	238,213	274,221
Prepaid expenses	<u>0</u>	<u>34,248</u>
Total Current Assets	395,740	480,277
Noncurrent Assets		
Capital assets, net	<u>1,017,183</u>	<u>993,663</u>
Total Assets	<u>\$ 1,412,923</u>	<u>\$ 1,473,940</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	\$ <u>18,823</u>	\$ <u>20,709</u>
Total Current Liabilities	18,823	20,709
Noncurrent Liabilities		
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	18,823	20,709
NET ASSETS		
Investment in capital assets, net of related debt	1,017,183	993,663
Unrestricted	<u>376,917</u>	<u>459,568</u>
Total Net Assets	<u>1,394,100</u>	<u>1,453,231</u>
Total Liabilities and Net Assets	<u>\$ 1,412,923</u>	<u>\$ 1,473,940</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006				2005	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Asset	Revenue and Changes in Net Asset
General Government						
Personal services	\$ 27,846	\$ 0	\$ 0	\$ 0	\$ (27,846)	\$ (28,356)
Travel	0	0	0	0	0	0
Operating services	163,159	0	0	0	(163,159)	(128,629)
Supplies	10,027	0	0	0	(10,027)	(4,118)
Professional services	3,364	0	0	0	(3,364)	(4,236)
Depreciation	217,974	0	0	26,157	(191,817)	(143,630)
Total General Government	<u>\$ 422,370</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,157</u>	<u>(396,213)</u>	<u>(308,969)</u>
General Revenues						
Taxes					264,958	259,178
State revenue sharing					29,409	29,425
Interest income					4,524	3,029
Miscellaneous					38,191	27,942
Total General Revenues					<u>337,082</u>	<u>319,574</u>
Change in Net Assets					(59,131)	10,605
Net Assets, Beginning of year					<u>1,453,231</u>	<u>1,442,626</u>
Net Assets, End of year					<u>\$ 1,394,100</u>	<u>\$ 1,453,231</u>

The accompanying notes are an integral part of this statement.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash	\$ 157,527	\$ 171,808
Accounts receivable	238,213	274,221
Prepaid expenses	<u>0</u>	<u>34,248</u>
Total Assets	<u>\$ 395,740</u>	<u>\$ 480,277</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	\$ 18,823	\$ 20,709
Total Liabilities	18,823	20,709
FUND BALANCES		
Unreserved	<u>376,917</u>	<u>459,568</u>
Total Fund Balances	<u>376,917</u>	<u>459,568</u>
Total Liabilities and Fund Balances	<u>\$ 395,740</u>	<u>\$ 480,277</u>

The accompanying notes are an integral part of this statement.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2006

Total Fund Balances for Governmental Funds (Exhibit C) \$ 376,917

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 31,615	
Buildings and building improvements, net of \$247,786 in accumulated depreciation	303,393	
Automobiles, net of \$967,731 in accumulated depreciation	281,839	
Machinery and equipment, net of \$297,509 in accumulated depreciation	<u>\$ 400,336</u>	
Total Capital Assets		1,017,183

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

0

Total Net Assets of Governmental Activities (Exhibit A) \$ 1,394,100

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
REVENUES		
Taxes	\$ 264,958	\$ 259,178
State revenue sharing	29,409	29,425
Intergovernmental revenues	26,157	57,883
Interest income	4,524	3,029
Miscellaneous	<u>38,191</u>	<u>27,942</u>
Total Revenues	363,239	377,457
EXPENDITURES		
General government		
Personal services	27,846	28,356
Travel	0	0
Operating services	163,159	128,629
Supplies	10,027	4,118
Professional services	3,364	4,236
Capital outlay	<u>241,494</u>	<u>313,188</u>
Total Expenditures	<u>445,890</u>	<u>478,527</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(82,651)	(101,070)
Fund Balance, Beginning of year	<u>459,568</u>	<u>560,638</u>
Fund Balance, End of year	<u>\$ 376,917</u>	<u>\$ 459,568</u>

The accompanying notes are an integral part of this statement.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (82,651)

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$241,494) exceeds depreciation (\$217,974) in the current period. 23,520

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 0

Change in Net Assets of Governmental Activities (Exhibit B) \$ (59,131)

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

The North Sabine Fire Protection District was created by the Sabine Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, for the purpose of providing fire protection within the District. The District is governed by a board of six commissioners appointed by the Police Jury, Town of Zwolle, Village of Converse, Village of Pleasant Hill and Village of Noble.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the North Sabine Fire Protection District present information only as to the transactions of the programs of the North Sabine Fire Protection District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the North Sabine Fire Protection District are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The North Sabine Fire Protection District prepares and adopts a budget each year in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the North Sabine Fire Protection District defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2006, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the North Sabine Fire Protection District are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

The North Sabine Fire Protection District does not have full time employees; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the North Sabine Fire Protection District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2006 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	<u>\$ 157,527</u>	<u>\$ 0</u>	<u>\$ 157,527</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 165,621</u>	<u>\$ 0</u>	<u>\$ 165,621</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Sabine State Bank	<u>\$ 165,621</u>
Total	<u>\$ 165,621</u>

B. Investments

At December 31, 2006, the North Sabine Fire Protection District had investments of \$0.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2006:

<u>Class of Receivable</u>		
Taxes		\$ 238,213
Other		0
Total		<u>\$ 238,213</u>

NOTE 4 CAPITAL ASSETS

A summary of the North Sabine Fire Protection District's capital assets at December 31, 2006 follows:

	Balance December 31, 2005	Additions	Retirements	Balance December 31, 2006
Capital Assets, not being depreciated				
Land	\$ 30,115	\$ 1,500	\$ 0	\$ 31,615
Total Capital Assets, not being depreciated	30,115	1,500	0	31,615
Capital Assets, being depreciated				
Buildings and building improvements	435,965	115,214	0	551,179
Less accumulated depreciation	(204,291)	(43,495)	0	(247,786)
Total Buildings and building improvements	231,674	71,719	0	303,393
Automobiles	1,145,570	104,000	0	1,249,570
Less accumulated depreciation	(890,557)	(77,174)	0	(967,731)
Total Automobiles	255,013	26,826	0	281,839
Machinery and equipment	677,065	20,780	0	697,845
Less accumulated depreciation	(200,204)	(97,305)	0	(297,509)
Total Machinery and equipment	476,861	(76,525)	0	400,336
Total Capital Assets, being depreciated	961,548	22,020	0	985,568
Total Capital Assets, net	\$ 993,663	\$ 23,520	\$ 0	\$ 1,017,183

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2006:

<u>Class of Payable</u>		
Vendor		\$ 8,017
Ad valorem taxes-retirement system		9,888
Payroll taxes		918
Total		<u>\$ 18,823</u>

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006

NOTE 6 LEASES

The North Sabine Fire Protection District was not obligated under any noncancellable capital or operating lease commitments at December 31, 2006.

NOTE 7 LITIGATION

The North Sabine Fire Protection District was a defendant in one lawsuit as of December 31, 2006. Although the outcome of this lawsuit is not determinable at this stage of the proceedings, the potential losses not covered by applicable insurance is not considered to be significant in relation to the District's overall financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Fav./Unfav.)</u>
REVENUES				
Taxes	\$ 195,000	\$ 260,000	\$ 264,958	\$ 4,958
State revenue sharing	20,000	30,000	29,409	(591)
Intergovernmental revenues	0	26,000	26,157	157
Interest income	2,000	2,000	4,524	2,524
Miscellaneous	<u>20,000</u>	<u>30,000</u>	<u>38,191</u>	<u>8,191</u>
Total Revenues	237,000	348,000	363,239	15,239
EXPENDITURES				
General government				
Personal services	30,940	31,190	27,846	3,344
Travel	0	0	0	0
Operating services	118,300	199,100	163,159	35,941
Supplies	5,000	14,000	10,027	3,973
Professional services	6,500	4,000	3,364	636
Capital outlay	<u>156,540</u>	<u>211,998</u>	<u>241,494</u>	<u>(29,496)</u>
Total Expenditures	<u>317,280</u>	<u>460,288</u>	<u>445,890</u>	<u>14,398</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(80,280)	(112,288)	(82,651)	29,637
Fund Balance, Beginning of year	<u>459,568</u>	<u>459,568</u>	<u>459,568</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 379,288</u>	<u>\$ 347,280</u>	<u>\$ 376,917</u>	<u>\$ 29,637</u>

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
DECEMBER 31, 2006

Ellzy Anderson	\$	30
Albert Ezernack		480
Jerry McDonald		480
Gary Rivers, President		450
Jim Veuleman		300
Doug Williams		<u>270</u>
Total	\$	<u>2,010</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

In accordance with Louisiana Revised Statute 40:1498, members, including police jurors serving ex-officio, may be paid per diem of \$30 for attending board meetings - not to exceed two meetings in one calendar month.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weaknesses identified? | None |
| | b) Reportable conditions identified not considered to be material weaknesses? | None |
| | c) Noncompliance material to the financial statements noted? | None |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, JACKSON & HINES, L.L.C.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

North Sabine Fire Protection District
P.O. Box 81
Zwolle, Louisiana 71486

We have audited the basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2006, and have issued our report thereon dated May 18, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the North Sabine Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the North Sabine Fire Protection District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the North Sabine Fire Protection District and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana
May 18, 2007

SCHEDULE 4

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2005-01	2005	Actual revenues for the District were \$61,543 (14.02 percent) less than budgeted amounts in 2005.	Yes	This finding has been resolved.
2005-02	2005	Board members were paid a per diem of \$45.00 for attending board meetings during 2005.	Yes	This finding has been resolved.

SCHEDULE 5

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2006

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.